MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OPERATING PERMIT TECHNICAL REVIEW DOCUMENT

Permitting and Compliance Division
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ConocoPhillips Company
Missoula Bulk Terminal
Section 9, Township 13 North, Range 19 West, Missoula
P.O. Box 30198
Billings, MT 59107

The following table summarizes the air quality programs testing, monitoring, and reporting requirements applicable to this facility.

Facility Compliance Requirements	Yes	No	Comments
Source Tests Required	√		Method 2A, 5, 7, 10, 25B, 21, 22, & 27
Ambient Monitoring Required		√	
COMS Required		√	
CEMS Required		√	
Schedule of Compliance Required		√	
Annual Compliance Certification and Semiannual Reporting Required	√		As applicable
Monthly Reporting Required		√	
Quarterly Reporting Required		√	
Applicable Air Quality Programs			
ARM Subchapter 7 Montana Air Quality Permitting	√		Permit #3021-03
New Source Performance Standards (NSPS)	√		Subparts K, Kb, & XX
National Emission Standards for Hazardous Air Pollutants (NESHAPS)		√	
Maximum Achievable Control Technology (MACT)		√	Synthetic minor form Subpart R
Major New Source Review (NSR)		√	
Prevention of Significant Deterioration (PSD)		√	
Risk Management Plan Required (RMP)		√	
Acid Rain Title IV		√	
State Implementation Plan (SIP)	√		General State SIP

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SECTION I. GENERAL INFORMATION

A. Purpose

This document establishes the basis for the decisions made regarding the applicable requirements, monitoring plan, and compliance status of emission units affected by the operating permit proposed for this facility. The document is intended for reference during review of the proposed permit by the EPA and the public. It is also intended to provide background information not included in the operating permit and to document issues that may become important during modifications or renewals of the permit. Conclusions in this document are based on information provided in the original application submitted by Conoco Inc. (Conoco) on September 3, 1999, and an additional submittal by ConocoPhillips Company (CocnocoPhillips) on February 21, 2003.

B. Facility Location

This facility is located at 3330 and 3350 Raser Drive in Missoula, Montana. The legal description is Section 9, Township 13 North, Range 19 West, in Missoula County.

C. Facility Background Information

On November 26, 1998, Conoco was issued Permit **#3021-00**. Because Conoco Missoula and Exxon Company USA Missoula merged their bulk terminals, the permit alteration was needed to combine these permits and to incorporate production limits that would keep the facility below the 40 CFR 63, Subpart R, threshold levels. This action also transferred permitting authority from Missoula County to the Department of Environmental Quality (Department). The Department is the responsible permitting authority for sources subject to the Title V Operating Permit Program or sources that are synthetic minor for Title V until Missoula County pursues a Title V Operating Permit Program. Permit #3021-00 replaced both Missoula County permits held by Conoco and Exxon Company USA, for the Missoula bulk terminals.

On September 3, 1999, the Department received a request from Conoco to modify Permit #3021-00. The modification removed all references to Rack II and the associated vapor recovery unit because Conoco suspended the use of this rack. Included in this modification was a request to stagger the testing schedule for the railcar vapor tightness testing so that 1/3 of the railcars would be tested each year. Permit **#3021-01** replaced Permit #3021-00.

On January 3, 2000, the Department received a request from Conoco to modify Permit #3021-01. Because vapor-tightness testing is required for only gasoline tank trucks and railcars, the phrase "liquid product" was changed to “gasoline.” Because Conoco does not have to perform the testing on the tank trucks, but obtain proof of testing from truck drivers, the word "perform" was changed to “require.” The testing section of the Montana Air Quality permit listed the flare at the truck rack (rack I) as an enclosed rack that required testing for volatile organic compounds (VOCs). However, the flare at rack I is truly an open flame flare and testing for VOC was determined to be unnecessary. Therefore, the Department clarified that testing of this flare consisted of Methods 21 and 22. The permit analysis section was also updated to change the tank usage at the facility. Permit **#3021-02** replaced Permit #3021-01.

On April 20, 2000, the Department received a request from Conoco to modify Permit #3021-02. Permit #3021-02 contained a condition (Section II.F.5.) that required Conoco to submit records of inspection on the tanks equipped with single or double-seal systems within 60 days of the date of inspection. The Department agreed with Conoco that this was an initial requirement. The Department and Conoco agreed to change the condition to require reporting within 30 days only if a gap, as defined by NSPS Subpart Kb, is detected. Permit **#3021-03** replaced Permit #3021-02.

D. Current Permit Action

A letter from ConocoPhillips dated February 12, 2003, and received by the Department, February 21, 2003, notified the Department that Conoco had changed its name to ConocoPhillips. The current permit action changes the name on this permit from Conoco to ConocoPhillips.

E. Taking and Damaging Analysis

HB 311, the Montana Private Property Assessment Act, requires analysis of every proposed state agency administrative rule, policy, permit condition or permit denial, pertaining to an environmental matter, to determine whether the state action constitutes a taking or damaging of private real property that requires compensation under the Montana or U.S. Constitution. As part of issuing an operating permit, the Department of Environmental Quality (Department) is required to complete a Taking and Damaging Checklist. As required by 2-10-101 through 105, MCA, the Department has conducted a private property taking and damaging assessment and has determined there are no taking or damaging implications. The checklist was completed on November 23, 1999.

F. Compliance Designation

The Department conducted an inspection of the facility on May 3, 2000, and indicated the facility was in compliance at the time of the inspection.

On November 16, 2000, ConocoPhillips submitted test results and showed compliance from the gasoline vapor tightness testing of one-third of the gasoline railcars used at the Missoula rail rack.

On September 25, 2000, Conoco submitted a semi-annual compliance certification and monitoring report to the Department.

ConocoPhillips tested the open flame flare on Rack I on January 25, 2000. Compliance determination is pending review of the source test report.

The Department conducted an inspection of the facility on June 24, 1999, and indicated the facility was in compliance at the time of the inspection.

The vapor tightness testing performed on December 15, 1998, successfully demonstrated compliance with permit limitations.

ConocoPhillips notified the Department of the old Exxon Truck Loading Rack Shutdown on October 29, 1998. This notification served as adequate notification for the permit notification requirement of within 15 days of removal from service.

The Rail Loading Rack Enclosed Flare was tested for total organic compounds (TOC), carbon monoxide (CO) and nitrogen oxides (NO_x) on December 30, 1998. It successfully demonstrated compliance with the permit limitations.

SECTION II. SUMMARY OF EMISSION UNITS

A. Facility Process Description

The ConocoPhillips Missoula Bulk Terminal receives petroleum product via pipeline and stores it in tanks on site. Tanks are either fixed roof or internal floating roofs. The facility then transfers the petroleum product to tank trucks and rail cars. Vapors displaced during the loading process are sent to flares for destruction.

B. Emission Units and Pollution Control Device Identification

Emission Unit ID	Description	Pollution Control Device/Practice
EU001	Loading Racks I and III	Vapor Collection with Flares
EU002	Flares	The flares are the control equipment
EU003	T-50 –1,264,536-gallon gasoline tank	Internal floating roof
EU004	T-51 – 845,082-gallon gasoline tank	Internal floating roof
EU005	T-52 – 845,208-gallon transmix tank	Internal floating roof
EU006	T-53 – 854,040-gallon EtOH/gas tank	Internal floating roof
EU007	T-54 – 1,260,000-gallon gasoline tank	Internal floating roof
EU008	T-55 – 868,938-gallon jet fuel #1 tank	Fixed roof
EU009	T-56 – 2,677,290-gallon diesel tank	Internal floating roof
EU010	T-58 – 3,827,250-gallons gasoline tank	Internal floating roof
EU011	T-401 – 614,000-gallon mogas tank	Internal floating roof
EU012	T-402 – 1,260,000-gallon mogas tank	Internal floating roof
EU013	T-404 – 850,000-gallon diesel tank	Fixed roof
EU014	T-405 – 650,000-gallon jet fuel tank	Fixed roof
EU015	T-406 – 650,000-gallon mogas tank	Internal floating roof
EU017	Additive tanks (8)	Fixed roof
EU018	Fugitive emissions from valves, flanges, pump seals, and open-ended lines	None
EU019	Fugitive emissions – Truck Traffic	Water and/or chemical dust suppressant

Note:
EU 007 (T-54) has not been constructed as of this permit revision.
EU 017 (Additive tanks (8)) include three additive tanks (T-408, T-409, and T-A-13) that are currently inactive and will not be returned to service.

C. Categorically Insignificant Sources/Activities

Insignificant sources for the ConocoPhillips Missoula Bulk Terminal are Miscellaneous VOC Emissions from tank cleaning and additive tanks emissions.

SECTION III. PERMIT CONDITIONS

A. Emission Limits and Standards

All emission limits and standards in the Title V permit have been taken directly from the Montana Air Quality permit. Missoula County is a CO and particulate matter with an aerodynamic diameter of 10 microns or less (PM_{10}) nonattainment area, but the State Implementation Plans for these pollutants in this area do not include any specific stipulations for the ConocoPhillips Missoula Bulk Terminal. Permit limitations have been established to keep the ConocoPhillips Bulk Terminal below the 40 CFR 63, Subpart R, threshold levels. The ConocoPhillips Bulk Terminal is applicable to 40 CFR 60, Subpart XX, and requirements have been incorporated into the Montana Air Quality permit and the Title V permit. Similarly, 40 CFR 60, Subpart K, is applicable to Tank 56, and 40 CFR 60, Subpart Kb, is pertinent to Tanks 54 and 58. As of this permit action, however, Tank 54 has not been constructed.

B. Monitoring Requirements

ARM 17.8.1212(1) requires that all monitoring and analysis procedures or test methods, required under applicable requirements, be contained in operating permits. In addition, when the applicable requirement does not require periodic testing or monitoring, periodic monitoring must be prescribed that is sufficient to yield reliable data from the relevant time period that is representative of the source's compliance with the permit.

The requirements for testing, monitoring, recordkeeping, reporting, and compliance certification sufficient to assure compliance does not require the permit to impose the same level of rigor for all emission units. Furthermore, it does not require extensive testing or monitoring to assure compliance with the applicable requirements for emission units that do not have significant potential to violate emission limitations or other requirements under normal operating conditions. When compliance with the underlying applicable requirement for an insignificant emission unit is not threatened by lack of regular monitoring, and when periodic testing or monitoring is not otherwise required by the applicable requirement, the status quo **(i.e., no monitoring)** will meet the requirements of ARM 17.8.1212(1). Therefore, the permit does not include monitoring for insignificant emission units.

The permit includes periodic monitoring or recordkeeping for each applicable requirement. The information obtained from the monitoring and recordkeeping will be used by the permittee to periodically certify compliance with the emission limits and standards. However, the Department may request additional testing to determine compliance with the emission limits and standards. ConocoPhillips is required to maintain logs and perform inspections.

C. Test Methods and Procedures

The operating permit may not require testing for all sources if routine monitoring is used to determine compliance, but the Department has the authority to require testing, if deemed necessary, to determine compliance with an emission limit or standard. In addition, the permittee may elect to voluntarily conduct compliance testing to confirm its compliance status.

ConocoPhillips is required to obtain vapor tightness testing for all tank trucks on an annual basis. Vapor tightness testing for the rail cars shall be performed on of the cars on a yearly basis.

The open flame flare controlling Rack I shall be tested by January 31, 2000, and every 4 years thereafter using Methods 21 and 22. The open flame flare was source tested on January 25 and 26, 2000. The enclosed flare controlling Rack III shall be tested for (TOCs) by January 31, 2004, and every 4 years thereafter.

D. Recordkeeping Requirements

The permittee is required to keep all records listed in the operating permit as a permanent business record for at least 5 years following the date of the generation of the record.

ConocoPhillips is required to document, by month, the petroleum product throughput and leak inspection parameters. All recordkeeping requirements as specified by 40 CFR 60, Subpart K, Kb, and XX, are also applicable.

E. Reporting Requirements

Reporting requirements are included in the permit for each emission unit and Section V of the operating permit, "General Conditions," explains the reporting requirements. However, the permittee is required to submit semi-annual and annual monitoring reports to the Department and to annually certify compliance with the applicable requirements contained in the permit. The reports must include a list of all emission limit and monitoring deviations, the reason for any deviation, and the corrective action taken as a result of any deviation.

ConocoPhillips is required to report inspection results on the vapor collection system and tanks as required by 40 CFR 60, Subpart K, Kb, and XX.

SECTION IV. FUTURE PERMIT CONSIDERATIONS

A. MACT Standards

As of the issuance date of Operating Permit OP#3021-01, ConocoPhillips has an operational limit that synthetic minors them from the requirements of 40 CFR 63, Subpart R. The Department is unaware of any other future MACT Standards that may be promulgated that will affect this facility.

B. NESHAP Standards

As of the issuance date of Operating Permit OP#3021-01, the Department is unaware of any future NESHAP Standards that may be promulgated that will affect this facility.

C. NSPS Standards

As of the issuance date of Operating Permit OP#3012-01, the ConocoPhillips Missoula Bulk Terminal is not subject to 40 CFR 60, Subpart XX. Tank 56 is subject to 40 CFR 60, Subpart K, and Tanks 54 and 58 are subject to 40 CFR 60, Subpart Kb. The Department is unaware of any other future NSPS Standards that may be promulgated that will affect this facility.

D. Risk Management Plan

As of the issuance date of Operating Permit OP#3021-01, this facility does not exceed the minimum threshold quantities for any regulated substance listed in 40 CFR 68.115 for any facility process. Consequently, this facility is not required to submit a Risk Management Plan.

If a facility has more than a threshold quantity of a regulated substance in a process, the facility must comply with 40 CFR 68 requirements no later than 3 years after the date on which a regulated substance is first listed under 40 CFR 68.130 or the date on which a regulated substance is first present in more than a threshold quantity in a process, whichever is later.